Reg. No. M. 1175.

MYSORE
498
3

The Mysore Gazette

EXTRAORDINARY

PUBLISHED BY AUTHORITY.

BANGALORE, WEDNESDAY, JUNE 8, 1932.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. Rl. 5268—L. C. Camp Mysore, dated the 7th June 1932.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the imposition of a Tax on certain forms of Betting is published for general information with the statement of objects and reasons.

By Order,
C. SUBRAHMANYA AIYAR,
Secretary,
Mysore Legislative Council.

Bill to provide for the imposition of a Tax on certain forms of Betting.

Whereas it is expedient to impose a tax on certain [illegible] Betting; It is hereby enacted as follows:— Preamble.

[illegible] Regulation may be called the Mysore [illegible] Short title, extent, and commencement.

(2) It extends to the whole of Mysore.

(3) It shall come into force in such local areas and from such dates as the Government may by Notification in the Official Gazette direct.

efinitions. 2. In this Regulation :—

(1) "backer" includes any person with whom a licensed bookmaker bets;

(2) "bet" includes "wager" and "betting" includes "wagering;"

(3) "licensed bookmaker" means any person who carries on the business or vocation of or acts as a bookmaker or turf commission agent under a license or permit issued by any racing club or by the stewards thereof to enable him to carry on his business or vocation under the provisions of the Mysore Police Regulation, 1908, as specified in the license or permit;

(4) "prescribed" means prescribed by this Regulation or the rules made thereunder;

(5) "racing club" includes a club, association, society or body of persons corporate or incorporate.

(*a*) formed for the purpose of promoting horse-racing or pony-racing or for holding race-meetings; or

(*b*) conducting or controlling such meetings;

(6) "totalisator" means a totalisator, in an enclosure which the stewards controlling a race meeting have set apart in accordance with the Mysore Police Regulation, 1908, and includes any instrument, machine, or contrivance known as the totalisator, or any other instrument, machine, or contrivance of a like nature or any scheme for enabling any number of persons to make bets with one another on the like principles.

ax on talisators id payment ereof. 3. There shall as from 193 , be charged, levied and paid to the Government out of all moneys paid into any totalisator by way of stakes or bets, a tax on backers, hereinafter referred to as the totalisator tax, amounting to 6¼ *per cent* of every sum so paid; and 6¼ *per cent* of every sum so paid into a totalisator shall be deemed to have been paid by the backer on account of the totalisator tax, and shall be received by the stewards of the race-meeting on behalf of the Government.

ocedure for aking over talisator x to overnment. 4. The stewards of a race-meeting sh[redacted] times and in such manner as may be pre[redacted] to the prescribed officer a retu[redacted] of the moneys paid in[redacted]

and shall at the prescribed time make over to the prescribed officer the amount of the tax for that meeting.

Accounts of totalisator tax.

5. (1) The stewards of a race-meeting shall keep accounts in the prescribed form of all moneys paid into the totalisator at that meeting.

(2) Every person having the custody of any such accounts shall, when required by an officer empowered in this behalf by the Government, permit such officer, or an officer authorised in writing by him in this behalf, to inspect and take copies of them.

Betting tax.

6. (1) There shall as from the.....193...., be charged, levied and paid to the Government out of all moneys paid or agreed to be paid by a licensed bookmaker to a backer in consequence of the winning by the backer of a bet made in an enclosure set apart under the provisions of the Mysore Police Regulation, 1908, on any race, a tax on backers, hereinafter referred to as the betting tax, amounting to 6¼ *per cent* of all such moneys.

(2) The betting tax shall be deducted or collected by the licensed bookmaker from such moneys at the time when the money is paid to the backer, or in the case of credit bets at such time as may be prescribed, and shall be deemed to have been paid by the backer on account of the tax, and shall be retained by the licensed bookmaker on behalf of the Government.

Procedure fc making over betting tax t Government

7. All sums retained on account of the betting tax shall be made over by the licensed bookmaker, by whom they have been retained, to the prescribed officer at such times and in such manner as may be prescribed.

Accounts of betting tax.

8. (1) The stewards of a race-meeting shall, at such times and in such manner as may be prescribed, forward to the prescribed officer, returns setting out the names of the bookmakers, licensed or permitted by them to carry on the business or vocation of a bookmaker at that meeting.

(2) All licensed bookmakers shall keep accounts of all sums paid or agreed to be paid by them to backers in satisfaction of bets, in such manner as may be prescribed, and shall, when required in writing by an officer empowered in this behalf by the Government, permit such officer, or an officer authorised in writing by him in this behalf, inspect and take copies of such accounts.

Methods of recovery of totalisator t and betting tax.

The totalisator tax payable under section 3 [redacted] demand from the racing [redacted] any portion of such tax

which is not so recovered shall also be recoverable as a revenue demand from the stewards of the race-meeting jointly and severally.

(2) All moneys which a licensed bookmaker is liable to make over to the prescribed officer under section 8 shall be recoverable from the licensed bookmaker as a revenue demand.

ules.

10. The Government may make rules for securing the payment of the totalisator tax and the betting tax, the production and inspection of accounts kept under this Regulation and generally for carrying into effect the provisions of this Regulation, and for dealing with such matters as are therein directed to be prescribed.

mendment Section 4 of e Mysore olice Regu- tion, 1908. aming.'

11. In section 4 Clause (2) of the Mysore Police Regulation, 1908 hereinafter referred as the said Regulation before the definition of "Common gaming house," the following definitions shall be inserted, *viz.*, :—

(1) "Gaming" does not include a lottery but includes wagering or betting on a horse race except when such wagering or betting takes place.—

(i) on the date on which such race is to be run; and

(ii) in a place or places within the race enclosure which the authority controlling such race has with the sanction of the Government set apart for the purpose.

nstruments gaming."

(2) 'Instruments of gaming' include an article used as a subject, or means of, or for the purpose of carrying on or facilitating, or in connection with gaming and any books lists, tickets, forms or other documents used or intended to be used as a register or record or evidence of gaming.

12. In section 63 of the said Regulation sub-sections (1) and (2) shall be renumbered as (3) and (4) and the following shall be added as sub-sections (1) and (2) namely :—

"(1) Whoever opens, keeps or uses, or permits to be opened, kept or used any enclosure, room or place for the purpose of gaming on a horse-race, shall be liable, on conviction, to imprisonment not exceeding three months or for every day on which such enclosure, room or opened, kept or used, to a fine not rupees or both.

MYSORE 99

"(2) Whoever is found gaming on a horse-race shall be liable, on conviction, notwithstanding any provision to the contrary in this Regulation to a fine not exceeding five-hundred rupees or to imprisonment not exceeding one month."

13. In *Explanation* 2 of Section 63 of the said Regulation after the word "wager" the word "bet" shall be inserted. Amendment of Section 63 of the Mysore Police Regulation, 1908.

STATEMENT OF OBJECTS AND REASONS.

In England and in some Provinces in India, a tax on betting on horse races is levied as a source of revenue. It is considered expedient to take power, by means of legislation, to levy a tax on betting in Mysore on the lines of the law in Bengal.

The main features of the proposed legislation are as follows :—

Betting on a horse race with a licensed book-maker or at the totalisator in a race enclosure on a racing day is legalised. A tax at 6¼ per cent on all moneys paid into the totalisator and on all moneys paid or agreed to be paid by a licensed book-maker to a backer is provided. The stewards of a race-meeting are required to keep accounts, in the prescribed forms, of all moneys paid into the totalisator, and licensed book-makers are similarly required to keep accounts of all sums paid or agreed to be paid by them.

Provision is made for the recovery of the tax from the stewards of the race meeting or the licensed book-makers as a revenue demand.

There is no provision in the Police Regulation under which action could be taken to prevent betting generally attended with fraud which takes place in connection with horse races at what are popularly known as bucket shops.

It is proposed to amend the Police Regulation so as to make it possible to suppress these bucket shops. The definition of gaming is to be enlarged so as to include wagering or betting on a horse race except when such wagering or betting takes place on a racing day and in a

place or places within the race enclosure which the authority controlling such a race has set apart for the purpose. Gaming on horse races as thus defined, and the maintenance of places for the purpose of such gaming are to be made punishable with fine not exceeding five hundred rupees or imprisonment not exceeding one month.

No. Rl. 5269—L. C. Camp Mysore, dated the 7th June 1932.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to impose a Tax on Entertainments and other Amusements is published for general information with the statement of objects and reasons.

By Order,
C. SUBRAHMANYA AIYAR,
Secretary,
Mysore Legislative Council.

Bill to impose a Tax on Entertainments and other Amusements.

Preamble. Whereas it is expedient to make an addition to the public revenue and the revenue of the local authorities in Mysore and for that purpose to impose a tax on Amusements and other Entertainments; It is hereby enacted as follows:—

Short title, extent and commencement. 1. (1) This Regulation may be called the Mysore Amusements Tax Regulation, 193 .

(2) It extends to the whole of Mysore.

(3) It shall come into force in such local areas and from such dates as Government may by notification in the *Official Gazette* direct.

Definitions. 2. In this Regulation, unless there is anything repugnant in the subject or context,—

(1) "admission" includes admission as a spectator or as one of an audience, and admission for the purpose of amusement by taking part in an entertainment;

(2) "admission to an entertainment" includes admission to any place in which the entertainment is held;

(3) "agriculture" includes horticulture and live-stock breeding;

(4) "entertainment" includes any exhibition, performance, amusement, game or sport to which persons are admitted for payment;

(5) "live-stock" includes animals of every description;

(6) "local authority" means a municipal council or a local board constituted under any enactment for the time being in force;

(7) "notification" means a notification published in the *Official Gazette*;

(8) "payment for admission" includes any payment made by a person who having been admitted to one part of a place of entertainment is subsequently admitted to another part thereof, for admission to which a payment involving a tax or a higher rate of tax is required, and any payment for seats or other accommodation in a place of entertainment;

(9) "proprietor" in relation to any entertainment includes any person responsible for the management thereof; and

(10) "society" includes a company, institution, club or other association of persons by whatever name called.

Tax on payments for admission to entertainments.

3. (1) Except as otherwise expressly provided in this Regulation there shall as from the first day of 193 , be charged, levied, and paid to the Government a tax, hereinafter referred to as the entertainments tax, at the rate of twenty-five per centum on all payments for admission to any entertainment.

(2) The entertainments tax shall not be leviable where the payment for admission is not more than eight annas.

(3) The rate of the entertainments tax in the case of payments for admission to any theatre, cinematograph exhibition, or circus or any class of entertainment to which the Government may apply this sub-section on the ground that the rates specified in sub-section (1) would impose an

undue burden on the industry involved, shall be as follows, namely :—

Where the payment excluding the amount of tax—

(i) is more than eight annas but is less than twelve annas ...	one anna
(ii) is twelve annas or more but is less than one rupee eight annas ...	two annas
(iii) is one rupee eight annas or more but is less than two rupees eight annas ..	four annas
(iv) is two rupees eight annas or more but is less than three rupees eight annas ...	eight annas
(v) is three rupees eight annas or more but is less than four rupees eight annas ..	twelve annas
(vi) is four rupees eight annas or more but is less than six rupees eight annas ...	one rupee
(vii) is six rupees eight annas or more but is less than nine rupees eight annas ..	one rupee eight annas
(viii) is nine rupees eight annas or more but is not more than ten rupees ...	two rupees
(ix) is more than ten rupees, for the first ten rupees and for every ten rupees or part of ten rupees over ten rupees ..	two rupees

(4) The Government may, on the application of a proprietor of any entertainment in respect of which the entertainments tax is payable under sub-section (1), allow the proprietor on such conditions as they may prescribe to pay the amount of the tax due by means of a consolidated payment of twenty per centum of the gross sum received by the proprietor on account of payments for admission to the entertainment and on account of the tax.

(5) The entertainments tax, in the case of theatres, cinematograph exhibitions and circuses and any other class of entertainment which the Government may direct, shall be charged, levied and paid with effect from the first of 193 .

Admission to entertainments.

4. No person shall be admitted for payment to any entertainment where the payment is subject to the entertainments tax, except—

(*a*) with a ticket stamped with an impressed, embossed, engraved or adhesive stamp (not before used) issued by the Government for the purpose of revenue and denoting that the proper entertainments tax has been paid,

(*b*) in special cases, with the approval of the Government, through a barrier which, or by means of a mechanical contrivance which, automatically registers the number of persons admitted,

unless the proprietor of the entertainment has made arrangements approved by the Government for furnishing returns of the payments for admission to the entertainments and has given security up to an amount and in a manner approved by the Government for the payment of the entertainments tax.

Penalty for non-payment of tax.

5. If any person is admitted for payment to any place of entertainment and the provisions of section 4 are not complied with, the proprietor of the entertainment to which such person is admitted shall, on conviction before a Magistrate, be liable in respect of each such offence to a fine not exceeding five hundred rupees, and shall, in addition, be liable to pay any tax which should have been paid.

Sections 4 and 5 not to apply in certain cases.

6. The provisions of sections 4 and 5 shall not apply to any entertainment in respect of which a consolidated payment is made under section 3, sub-section (4).

Manner of payment.

7. (1) The entertainments tax shall be charged in respect of each person admitted for payment, and, in the case of admission by stamped ticket, shall be paid by means of the stamp on the ticket and, in the case of admission otherwise than by stamped ticket, shall be calculated and paid on the number of admissions.

(2) The entertainments tax, in the case of admission otherwise than by stamped ticket, shall be recoverable from the proprietor.

(3) Where the payment for admission to an entertainment is made by means of a lumpsum paid as a subscription or contribution to any society, or for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, or for any privilege, right, facility or thing combined with the right of admission to any entertainment, or involving such right of admission without further payment or at a reduced charge, the entertainments tax shall be paid on the amount of lumpsum, but where the Government are of opinion that the payment of a lumpsum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to any entertainment, or covers admission to an entertainment during any period for which the tax has not been in

operation, the tax shall be charged on such an amount as appears to the Government to represent the right of admission to entertainments in respect of which the entertainments tax is payable.

Exemptions.

8. (1) The entertainments tax shall not be charged on payments for admission to any entertainment where the Government are satisfied:—

(*a*) that the whole of the takings thereof are devoted to philanthropic, religious or charitable purposes without any charge on the takings for any expenses of the entertainments; or

(*b*) that the entertainment is of a wholly educational character (any question on that point to be determined in the case of difference by the Government); or

(*c*) that the entertainment is provided for partly educational or partly scientific purposes by a society, not conducted or established for profit; or

(*d*) that the entertainment is provided by a society which is established solely for the purpose of promoting the interest of the industry of agriculture, or the manufacturing industry, or some branch thereof, or the public health and which is not conducted for profit, and consists solely of an exhibition of the products of the industry, or branch thereof, for promoting the interests of which the society exists or of materials, machinery, appliances, or foodstuffs, used in the production of those products, or of articles which are of material interest in connection with the questions relating to the public health, as the case may be.

(2) The Government may, by general or special order, exempt any entertainment or class of entertainments from liability to the entertainments tax.

Refunds in certain circumstances.

9. Where the Government are satisfied that the whole of the net proceeds of an entertainment are devoted to philanthropic, religious or charitable purposes, and that in calculating the net proceeds not more than twenty-five per cent of the gross proceeds have been deducted on account of the expenses of the entertainment, they shall repay to the proprietor the amount of the entertainments tax paid in respect of the entertainment.

Recoveries.

10. (1) Any sum due on account of the entertainments tax shall be recoverable by the Government as a revenue demand.

(2) Any fine imposed under this Regulation shall be recovered in the manner provided in the Code of Criminal Procedure, 1904, for the recovery of fines.

Inspection.

11. (1) Any officer authorised by the Government for the purpose may enter any place of entertainment while the entertainment is proceeding and any place ordinarily used as a place of entertainment at any reasonable time, with a view to seeing whether the provisions of this Regulation or any rules made thereunder are being complied with.

(2) If any person prevents or obstructs the entry of any officer so authorised, he shall, in addition to any other punishment to which he is liable under any law for the time being in force, be liable on conviction before a Magistrate to a fine not exceeding two hundred rupees.

(3) Every officer authorised under this section shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code as in force in Mysore.

Rules.

12. (1) The Government may make rules for securing the payment of the entertainments tax and generally for carrying into effect the provisions of this Regulation and in particular—

(*a*) for the supply and use of stamps or stamped tickets, or for the stamping of tickets sent to be stamped; and for securing the defacement of stamps when used;

(*b*) for the use of tickets covering the admission of more than one person and the calculation of the tax thereon; and for the payment of the tax on the transfer from one part of a place of entertainment to another and on payments for seats or other accommodation;

(*c*) for controlling the use of barriers or mechanical contrivances (including the prevention of the use of the same barrier or mechanical contrivance for payments of a different amount), and for securing proper records of admission by means of barriers or mechanical contrivances;

(*d*) for the checking of admissions, the keeping of accounts and the furnishing of the returns by the proprietors of entertainments to which the provisions of section 3, sub-section (4), are applied or in respect of which the arrangements approved by the Government for furnishing returns are made under section 4;

(*e*) for the renewal of damaged or spoiled stamps and for the procedure to be followed on applications for

refund under this Regulation or under the rules made thereunder;

(*f*) for the keeping of accounts of all stamps used under this Regulation; and

(*g*) for the presentation and disposal of applications for exemption from payment of the entertainments tax, or for the refund thereof, made under the provisions of this Regulation.

(2) If any person acts in contravention of, or fails to comply with, any such rules, he shall, on conviction before a Magistrate, be liable in respect of each offence to a fine not exceeding five hundred rupees.

Power of Government to delegate certain powers.

13. The Government may, by notification in the *Official Gazette*, delegate all or any of their powers under this Regulation, except those conferred upon them by sub-section (4) of section 1, by section 12, and by this section, to any person or to any authority subordinate to the Government.

14. Government may apportion the proceeds of the entertainments tax in any local area between the local authorities and itself in such a proportion as it may determine by general or special orders or by rules made in this behalf.

STATEMENT OF OBJECTS AND REASONS.

In some countries, a tax on entertainments is levied to augment the public revenues or the revenues of the local bodies. In the Provinces of British India where the tax is levied, its proceeds are, in some instances, credited to Provincial Revenues while in the Madras Presidency they go to the benefit of the local bodies.

The Indian Taxation Enquiry Committee of 1924-25 recommended the extension of the imposition of a tax on entertainments and giving local bodies a substantial share of the proceeds.

The Mysore Taxation Enquiry Committee considered the levy of a similar tax in Mysore as a desirable measure for improving local finance. The Bangalore City Municipality also urged the necessity for the levy of such a tax. It is considered expedient to take power by means of legislation to levy this tax on certain classes of entertainments.

In the Bill to be introduced it is proposed that while

the Government should take power to levy and collect this tax, it should arrange to make over a fair portion of the proceeds towards the revenues of local bodies.

The following are the main features of the Bill --

It provides for the levy of a tax payable to Government at the rate of twenty-five per cent on all payments for admission to entertainments. It is provided that the tax is not leviable where the payment for admission is not more than eight annas.

In respect of special classes of entertainments for which the rate specified above would impose an undue burden on the industry, a lower rate of tax may be levied. The method of admission of persons to places of entertainments and the manner of payment of the tax are laid down. Non-compliance with these provisions is made an offence and the proprietor of the entertainment guilty of such offence is made liable to a fine not exceeding Rs. 500.

Entertainments which are of an educational or scientific character or, which are organised for the purpose of promoting the interests of agriculture, industry or public health are exempted from the tax. A similar exemption is allowed in the case of entertainments the proceeds of which are devoted to a philanthropic, religious or charitable purpose.

Under the proposed Regulation, the Government have power to delegate certain powers to other persons or to any subordinate authority and also to contribute as much portion of the collections as they deem fit for the use of the local bodies.